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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

115-8-02

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ANNUAL AUDITED REPORT  
FORM X-17A-5 (A)  
PART III

## FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

SEC FILE NUMBER	
39450	RECEIVED
MAY 29 2002	
SECTION	

REPORT FOR THE PERIOD BEGINNING 1/1/01 AND ENDING 12/31/01  
MM/DD/YY MM/DD/YY

## A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

VANGUARD CAPITAL

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

4660 LA JOLLA VILLAGE DRIVE, SUITE 100

(No. and Street)

SAN DIEGO

CA

92122

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

GREGORY SERRAS

858-455-5070

(Area Code - Telephone No.)

## B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

BLUM AND CLARK ACCOUNTANCY GROUP

(Name - if individual, state last, first, middle name)

3914 MURPHY CANYON ROAD, SUITE A206 SAN DIEGO CA

92123

(Address)

(City)

(State)

(Zip Code)

## CHECK ONE:

- ☒ Certified Public Accountant  
☐ Public Accountant  
☐ Accountant not resident in United States or any of its possessions.

PROCESSED

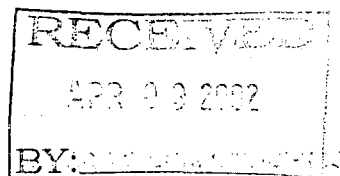
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THOMSON  
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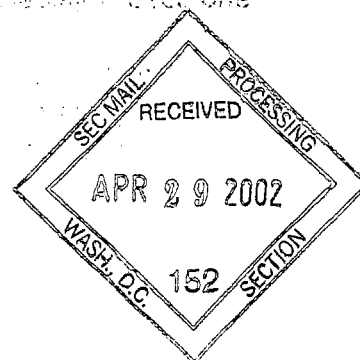
**VANGUARD CAPITAL**  
**STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED**  
**TO CLAIMS OF GENERAL CREDITORS**  
**YEAR ENDED DECEMBER 31, 2001**

Balance at January 1, 2001	\$ 750,000
Increases	-
Decreases	-
	<hr/>
Balance at December 31, 2001	<u><u>\$ 750,000</u></u>



April 8, 2002

Gregory Serras  
Chief Executive Officer  
Vanguard Capital  
4660 La Jolla Village Drive, Suite 100  
San Diego, CA 92122



Dear Mr. Serras:

This acknowledges receipt of your December 2001 annual filing of audited financial statements made pursuant to Securities and Exchange Commission (SEC) Rule 17a-5(d) (the Rule). The report as submitted appears deficient in that it did not contain a **Statement of Changes in Liabilities Subordinated to Claims of Creditors**.

Therefore, your submission cannot be considered to comply with the requirements of the Rule. The text of the Rule is reproduced in the NASD Manual under the section titled SEC Rules & Regulation T, and we suggest that you review it with your independent accountant.

Pursuant to the provisions of NASD Rule 8210, we request that you immediately send one copy of the items listed above to this office and the SEC regional or district office, and two copies to the SEC Washington, D.C. office. Your submissions must include a new completed Part III Facing Page, a copy of which is enclosed for your convenience.

Please attend to this matter promptly. If you have any questions, please contact Carol K.S. Weiss, Compliance Examiner, at 213-613-2635.

Sincerely,

Allissa Johnson  
Supervisor

Enclosure

cc: Randall Lee  
SEC Regional Administrator  
Securities & Exchange Commission  
5670 Wilshire Boulevard, 11<sup>th</sup> Floor  
Los Angeles, CA 90036-3468

Blum and Clark Accountancy Group  
3914 Murphy Canyon Road, Suite 206  
San Diego, CA 92123